

M/023/011

**First  
Security  
Bank** SM

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MINERALS PROGRAM  
FILE COPY

IRREVOCABLE STANDBY LETTER OF CREDIT NO.

ISSUED IN Salt Lake City, Utah on 16 MAY 1991

**APPLICANT:**

Thomas J. Peck and Sons, Inc.  
76 South 600 East  
Lehi, Utah 84043

**BENEFICIARY:**

Utah Division of Oil, Gas and Mining  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203

**AMOUNT:** USD \*\*\*15,900.00  
FIFTEEN THOUSAND NINE HUNDRED AND  
00/100 UNITED STATES DOLLARS

**DATE AND PLACE OF EXPIRY:**  
09 MAY 1992  
Our Counters

RECEIVED

MAY 20 1991

Gentlemen and Ladies:

1. First Security Bank of Utah, N.A., Salt Lake City, Utah, hereby establishes this irrevocable letter of credit (the "Letter of Credit") in favor of the Utah Division of Oil, Gas and Mining ("Division") for an aggregate amount not to exceed \$15,900.00 (FIFTEEN THOUSAND NINE HUNDRED AND NO/100) in United States dollars ("Face Amount") effective immediately.

2. This Letter of Credit will expire upon the earlier of (a) 5:00 p.m. (Salt Lake City time) on May 9, 1992 and (b) the date upon which documents are executed pursuant to which the Division released Thomas J. Peck and Sons ("Operator") from liability for the reclamation of the Nephi Gypsum Quarry, Permit No. M/023/011.

3. This Letter of Credit will be automatically extended for successive periods of one year from the current or any future expiration date unless First Security Bank of Utah, N.A. gives notice to the Division at least 90 days prior to the expiration date that we elect not to renew the Letter of Credit.

4. Funds drawn under the Letter of Credit are available against the Division's sight draft in the form of Exhibit A, specifying Letter of Credit No. \_\_\_\_\_, delivered to the counters of the International Department of First Security Bank of Utah, N.A. at 15 East 100 South, Salt Lake City, Utah 84111. At the Division's sole election the Division may present sight drafts for less than the Face Amount so long as the aggregate amount of all sight drafts does not exceed the Face Amount. Each draft must be accompanied by a certificate in the form of Exhibit B, signed by a duly authorized representative of the Division.

5. If First Security Bank of Utah, N.A. receives the Division's sight draft(s) and certificate(s) as provided in Paragraph No. 4



L/C #:   
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above on or before the expiration or termination of this Letter of Credit, we will make such amount as the Division may specify, within the limits of the second sentence of Paragraph No. 4 of this Letter of Credit, available to the Division no later than the close of business, Salt Lake City time, on the second business day following our receipt of the sight draft and certificate and in such a manner as the Division may specify.

6. First Security Bank of Utah, N.A. will give prompt notice to the operator and to the Division Director of any notice received or action filed alleging the insolvency or bankruptcy of the bank, or alleging any violations of regulatory requirements which could result in suspension or revocation of the bank's charter or license to do business.

7. The Letter of Credit will be governed by the laws of the State of Utah and shall be subject to the Uniform Customs and Practice for Documentary Credit, 1983 revision, International Chamber of Commerce Publication No. 400, as the same may be amended and in effect from time to time ("UCP"). In the event of a conflict between Utah law and the UCP, Utah law shall govern.

8. All communications regarding this Letter of Credit will be addressed to the First Security Bank of Utah, N.A., International Department, 15 East 100 South, Salt Lake City, Utah 84111, referencing Letter of Credit No.

  
\_\_\_\_\_

AUTHORIZED SIGNATURE(S)



Norman H. Bangerter  
Governor  
Dee C. Hansen  
Executive Director  
Dianne R. Nielson, Ph.D.  
Division Director

State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84100-1203  
801-538-5340

EXHIBIT B

I, \_\_\_\_\_ a duly authorized representative of the Utah Division of Oil, Gas and Mining, hereby certify that (1) the drawing in the amount of \$ \_\_\_\_\_, by sight draft accompanying this certificate, under Letter of Credit No. \_\_\_\_\_ dated \_\_\_\_\_ issued by you is permitted under the provision of the Letter of Credit, (2) the Letter of Credit has neither expired nor terminated pursuant to its terms, and (3) the amount of the sight draft, together with any amounts previously drawn under the Letter of Credit, does not exceed the Face Amount. Proceeds of this drawing will be utilized in full to pay the expenses relating to the reclamation liability for the \_\_\_\_\_ [mine], \_\_\_\_\_ [mine permit #].

The Utah Division of Oil, Gas and Mining

By: \_\_\_\_\_  
Authorized Signature

Date \_\_\_\_\_

WMN/1-4

EXHIBIT A

\_\_\_\_\_  
Date City, County Letter of Credit No.

PAY TO OURSELVES \* \_\_\_\_\_ DOLLARS

TO: Utah Division of Oil, Gas and Mining  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203

The Utah Division of Oil, Gas and Mining

\_\_\_\_\_  
Authorized Signature

\*By wire transfer in United States dollars to: The Division of Oil, Gas and Mining.